

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:925
ANSWERED ON:27.07.2001
DISINVESTMENT OF OIL COMPANIES
DILIP KUMAR MANSUKHLAL GANDHI

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Government have decided to disinvest some Public Sector Oil Companies of the country;
- (b) if so, the details of Oil Companies identified for the purpose;
- (c) whether such disinvestment is in the interest of country; and
- (d) if so, the details thereof ?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) & (b) The consideration of proposals for disinvestment in Central Public Sector Undertakings including Public Sector Oil Companies is a continuous process. As of now the Government has decided to retain 26% equity in IBP Co. Ltd and to disinvest 33.6% through international competitive bidding. The Government has also accorded approval for disinvestment of 10% equity capital of Indian Oil Corporation Ltd. through GDR/domestic issue. In view of the prevailing market conditions, the GDR/domestic issue has not taken place.

(c) & (d) The declared policy of the Government is that the Government will, in generality of cases, reduce its equity to 26% or below in Public Sector Undertakings (PSUs) operating in non-strategic areas. The Public Sector Undertakings in the Oil Sector are operating in non-strategic areas. The objectives of disinvestment policy inter alia include releasing of resources locked up in non-strategic PSUs for re-deployment in areas that are much higher on the social priority such as basic health, family welfare, primary education and essential infrastructure.